

Hike in interest rates in postal schemes

615. SHRI MANOHAR JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal of Government to hike interest rate in various postal schemes such as National Saving Certificate and Monthly Income Schemes;

(b) if so, since when;

(c) whether Government are aware that due to introduction of tax saving bank term deposit schemes by various scheduled banks, the postal tax saving schemes are taking brunt of this policy of Government; and

(d) what steps Government are taking to prevent erosion of postal tax saving schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) Question does not arise.

(c) Collections under small savings schemes reflect, *inter alia*, investors' preference for various alternative sources of investment available to them. The deposits under the small savings scheme of National Savings Certificate (NSC) — VIII Issue and the Public Provident Fund (PPF) already enjoy tax concessions.

(d) Central and State Governments take various measures from time to time to promote and popularise small savings schemes through print and electronic media as well as holding seminars and meetings, providing training to the various agencies involved in mobilizing deposits under these schemes. A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors' grievances. The website address is nsiindia.gov.in

Disinvestment of Neyveli Lignite Corporation and BHEL

616. DR. E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken final decision as to the disinvestment of PSUs, such as Neyveli Lignite Corporation, BHEL etc. which are earning profit; and

(b) if so, what is the policy formulated in this aspect?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) On 6th July, 2006, the Government decided to keep all disinvestment decisions and proposals on hold, pending further review, which is yet to be completed.

(b) In view of reply to (a) above, does not arise.

Reduction in collections as post offices on small saving plans

617. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that collections at post offices on small saving plans have gone down by 30 per cent during the first five months of this fiscal as compared to previous one;

(b) if so, the details thereof and reasons therefor; and

(c) the steps being taken/proposed to be taken to encourage small savings to enable common man to contribute towards development of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The gross small savings collections in post offices and banks during the first five months, viz., April - August, 2006 have been Rs. 73,456 crore as against Rs. 82,800 crore during the corresponding period of last financial year. The net collections (gross collections minus repayments) during the same period have been Rs. 27,874 crore as against Rs. 36,782 crore last year. The decline in collections appears to reflect *inter-alia*, investors' preference for alternative instruments.

(c) The small savings schemes, carrying different terms and rate of interest administered by the Government of India are designed to provide safe and attractive investment option to all individuals who invest in these savings schemes. Central and State Governments take various measures from time to time to promote and popularise small savings schemes through print and electronic media as well as holding seminars and meetings, providing training to the various agencies involved in mobilizing deposits under these schemes. A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investor's grievances. The website address is nsiindia.gov.in